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PROGRESS BULLETIN
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Following strong representations by local rural electrification leaders, REA today allotted \$1,000,000 additional to the Tri-State Power Cooperative of Wisconsin, making \$1,500,000 available for immediate construction of a generating plant in southwestern Wisconsin. REA also approved preliminary engineering plans for the generating plant and authorized preparation of definite specifications. The allotment covers the estimated cost of the generating plant and transmission lines, and \$50,000 for initial operating expense.

The Tri-State Power Cooperative is made up of eleven other cooperative organizations, which operate or are building REA-financed distribution lines and which will get their power from the new plant. The eleven distribution cooperatives are located in southwestern Wisconsin, southeastern Minnesota, and northeastern Iowa. The entire board of directors of the power cooperative, made up of one representative of each of the eleven distribution cooperatives, came to Washington this week and held extended conferences with Administrator John M. Carmody and other REA officials. Recounting unavailing efforts over a period of more than two years to make satisfactory arrangements for wholesale power, the board urged strongly that the allotment be made. They stated that because of their experiences in negotiating for power they would feel more secure with their own plant. They explained that they would not then be at the mercy of organizations whose future attitude toward rates and other conditions of power supply is unpredictable.

The engineer for the power cooperative, A. Y. Taylor of Clayton, Missouri, presented an engineering and economic survey of the need and advisability of the proposed new plant. These findings were checked with the experience of REA engineers and rate specialists, who have spent considerable time in Wisconsin studying the proposal to build the new plant and who participated in conferences on the subject. The allotment followed these discussions.

Each of the distribution cooperatives has only a temporary source of wholesale energy at present. Their current costs from 1.3 to 1.5 cents per kilowatt-hour under their present contracts -- or under any quotation they or REA have been able to obtain from the utility companies controlling existing power supplies. It is estimated that the distribution systems composing the power cooperative will save at least \$65,000 a year below present wholesale quotations, after paying all costs of generating the power and paying interest and amortization on the Government loan. This estimate is based on 20,000 members using an average of only 75 kilowatt-hours a month. Although most of the distribution lines so far energized have been in service only a short time, the average use of current already approaches the 75 kwh level and some projects exceed it.

This generating plant was authorized only after long negotiations with power companies failed to obtain a quotation which would permit the cooperative lines to operate successfully, and after the Board of Directors of each distribution cooperative had voted unanimously for the plant. Four of the Wisconsin projects have already conducted membership referenda on the subject and the returns were 95 to 99% favorable. Two township meetings were overwhelmingly in favor, one of them being unanimous.

The plant will be built south of LaCrosse. It will be a steam plant, with two high-pressure turbines initially and provision for adding other units later. The transmission lines will be constructed to provide interconnections with other power sources, to insure continuity of power supply in any emergency.

It is anticipated that bids on generating equipment will be called for within a month, and the building itself can be ready for its installation by late fall. Installation, transmission line construction, testing, and other work should all be completed so that the plant could go into operation by the first of the year.

Dairying and hog raising are important in the Tri-State area's agriculture. When this new plant goes into operation it will provide ample power for community cheese factories, pumping water for stock and household uses, cooling milk, grinding feed, pig brooders, and for scores of other farm uses, as well as domestic refrigeration, electric cooking, and other household applications.

The distribution cooperatives making up the Tri-State Power Cooperative are:

<u>PROJECT SPONSOR</u>	<u>*AMOUNT</u>	<u>*MILES</u>	<u>CONSUMERS</u>	<u>REPRESENTATIVE ON POWER BOARD</u>
Oakdale Coop. Elec. Ass'n, Oakdale, Wisconsin	\$362,000	206	619	W. E. Rabe
Vernon Co. Elec. Coop. Westby, Wisconsin	637,000	640	1,986	H. O. Melby
Grant Electric Coop., Lancaster, Wisconsin	599,000	542	1,385	E. J. Stoneman
Lafayette Elec. Coop., Argyle, Wisconsin	293,000	279	798	M. O. Monson
Crawford Elec. Coop., Gays Mills, Wisc.	139,000	113	300	L. W. Lathrop
Adams-Marquette Elec. Coop., Friendship, Wisc.	229,000	216	681	Francis Russell
Fillmore Co. Coop. Elec. Ass'n, Preston, Minnesota	740,000	695	1,693	F. B. Blanchard
Freeborn-Mower Coop. Lt. and Power Ass'n, Albert Lea, Minn.	461,000	432	1,172	J. S. McCormick
Howard Co. Elec. Coop. Cresco, Iowa	206,000	181	523	M. R. Ringoen
Co-Op Elec. Co. of Osage, St. Ansgar, Iowa	222,000	211	556	A. G. Olson
Allamakee-Clayton Elec. Coop., Inc., Postville, Iowa	214,000	206	624	Joel Clark

*These figures represent totals under present allotments. They do not include applications now awaiting approval.